

TOWN OF FREDERICK

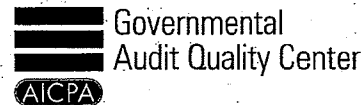
**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2009

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INDEPENDENT AUDITORS' REPORT

Honorable Mayor and Members
of the Town Board of Trustees
Town of Frederick, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick, Colorado (the "Town") as of and for the year ended December 31, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Frederick, Colorado, as of December 31, 2009, and the respective changes in financial position, where applicable, cash flows thereof, and the budgetary comparison for the General, Street and Alley, and Open Space Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



America Counts on CPAs®

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining and individual nonmajor fund financial statements, budgetary comparison statements for the Town's business-type and nonmajor governmental funds and local highway finance report are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The budgetary comparison statements for the Town's business-type and nonmajor governmental funds, and local highway finance report have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Watkins & Schommer, Inc.

Watkins & Schommer, Inc.
Greeley, Colorado
September 21, 2010

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

This section of the annual financial report offers readers of the Town of Frederick's (the "Town") financial statements its discussion and analysis of the Town's financial performance during the year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Background Information

The Town was incorporated in 1907 and is comprised of eleven basic funds, the general fund, seven special revenue funds, three enterprise funds and a fiduciary fund.

On November 7, 1995 the taxpayers approved a ballot question to remove the TABOR limits that were imposed on the Town in 1992. The mill levy for 2009 was set at 6.555 mills for general operations and 1.609 mills for general obligation bonds debt service.

Financial Highlights

- The Town financial status improved over the course of the 2009 fiscal year. Total net assets increased .815 percent.
- General revenues account of \$4,086,970 or 27 percent of all revenues. The Town had \$10,956,037 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$7,196,900 in expenses related to governmental activities, of which \$4,898,595 were offset by program specific charges for services and operating grants and contributions. Taxes of \$1,024,178 and other general revenues of \$4,203,748 as shown on the statement of activities were adequate to provide for these programs.
- The Town had water and electric charges for service income totaling \$792,853 with capital contributions totaling \$231,325. The cost of providing water and electric service totaled \$6,833,020.
- Outlays for capital assets were primarily comprised of park improvements, trail improvements, street infrastructure additions, and various pieces of public works equipment. See the Capital Assets section of this management's discussion and analysis for more information.
- The Town's governmental funds have three outstanding capital leases and the 2006 sales and use tax bond totaling \$4,782,688 at December 31, 2009.
- The Town's business-type funds have outstanding debt totaling \$1,038,450 at December 31, 2009.

Overview of the Financial Statements

This annual financial report consists of three parts: management's discussion and analysis, the basic financial statements, and other supplementary information. The basic financial statements include two kinds of statements that present different views of the Town.

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the Town's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town's statements. The governmental funds statements tell how basic services such as general government, public safety, public works, etc., were financed in the short-term as well as what remains for future spending.

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

- The proprietary funds are presented as business-type activities in the government-wide financial statements. The Town has three enterprise funds, water, electric and storm drainage funds.
- Fiduciary funds statements provide information about the financial relationships in which the Town acts solely as a trustee or agent for the benefit of others.

The financial statements include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplemental information that further explains and supports the financial statements with a comparison of the Town's budget for the year.

Detailed in the following diagram are how the various parts of this annual report are arranged and related to one another.

**Table 1
Organization of Town's Annual Financial Report**

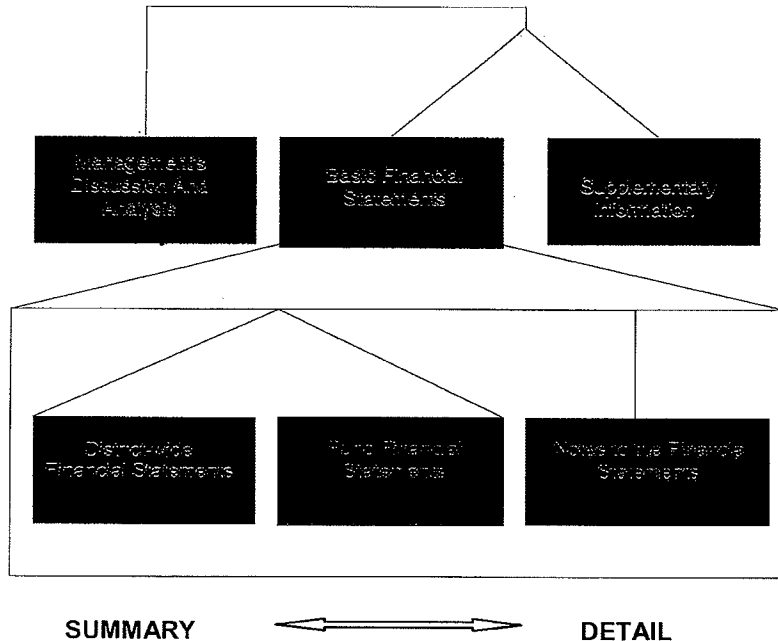


Table 2, displayed on the following page summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the two types of financial statements, district-wide and fund financial statements, found in the basic financial statements.

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

**Table 2
Major Features of the Town and Fund Financial Statements**

	Government-wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Fund
Scope	Entire Town (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary.	Activities the Town operates similar to private businesses: water and electric services	Instances in which the Town administers resources on behalf of someone else.
Required Financial Statements	Statement of net assets Statement of Activities	Balance Sheet Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Net Assets Statement of Revenues, Expenses and Changes in Net Assets Statement of Cash Flows	Statement of Fiduciary Net Assets Statement of Changes in Fiduciary Net Assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short- term and long- term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid	All additions and deductions during the year, regardless of when cash is received or paid

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

Town Statements

The Town statements are designed to provide readers a broad overview of the Town's finances, in a manner similar to a private-sector business. The statement of net assets includes all of the Town's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The Town's financial statements are designed to provide readers a broad overview of the Town's finances, in a manner similar to a private-sector business. These statements provide both short-term and long-term information about the Town's overall financial status.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. To assess the Town's overall health, you need to consider additional non-financial factors such as the condition of buildings and equipment.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flow in future fiscal periods.

Both of the Town's financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities). Included in governmental activities are most of the Town's basic services such as general government, public safety, public works, etc.

The basic Town's financial statements can be found on pages 15-17 of this report.

Fund Financial Statements

The fund financial statements provide more detailed information about the Town's funds, focusing on its most significant or "major" funds, not the Town as a whole. Funds are accounting devices the Town uses to keep track of specific sources of funding and spending on particular programs. The Town funds are divided into three categories: governmental funds, business-type funds, and fiduciary funds.

- » ***Governmental funds:*** Most of the Town's basic services are included in governmental funds, which generally focus on (1) inflows and outflows of cash and other financial assets and (2) balances remaining at year-end which are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps determine financial resources that may be available in the near term to finance the Town's programs. This information does not encompass the long-term focus of the Town's statements, therefore a reconciling schedule is included on the governmental funds statements explaining the relationship (or difference) between them.

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

The basic governmental fund financial statements can be found on pages 18-23 of this report.

- » *Proprietary funds:* The Town maintains one type of proprietary fund. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, electric and storm drainage operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, electric and storm drainage operations, all of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 24-26 of this report.

- » *Fiduciary funds:* Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The Town is responsible for ensuring the assets reported in these funds are used only for the intended purposes and by those to whom the assets belong. The Town excludes these activities from the Town's financial statements because it cannot use these assets to finance its operations.

The Town currently has one fiduciary fund, the oil royalty fund. The fund is used to account for the payment of scholarships and donations.

The basic fiduciary fund statements can be found on pages 27-28 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes to the financial statements can be found on pages 29-43 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules.

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

Financial Analysis of the District as a Whole

Net Assets and Changes in Net Assets

The Town's *combined* net assets were larger on December 31, 2009, than they were the year before, increasing .8 percent to \$94,723,883. Table 3 provides a summary of the Town's net assets at December 31, 2009.

**Table 3
Condensed Statement of Net Assets**

	Governmental Activities	Business Activities	Total 2009	Total 2008
Assets				
Current assets	7,302,044	16,663,488	23,965,532	19,528,090
Restricted assets	-	80,468	80,468	3,378,195
Capital assets, net	32,062,508	47,122,128	79,184,636	80,030,947
Total assets	39,364,552	63,866,084	103,230,636	102,937,232
Liabilities				
Current liabilities	1,593,927	861,455	2,455,382	3,133,135
Long term liabilities	5,012,921	1,038,540	6,051,461	5,846,321
Total liabilities	6,606,848	1,899,995	8,506,843	8,979,456
Net assets				
Invested in capital assets net of related debt	27,279,820	46,083,678	73,363,498	73,916,961
Restricted	165,334	-	165,334	173,520
Unrestricted	5,312,550	15,882,501	21,195,051	19,867,295
Total net assets	32,757,704	61,966,179	94,723,883	93,957,776

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

Table 4 provides a summary of the changes in net assets. Following Table 4 is specific discussion related to overall revenues and expenses.

**Table 4
Changes in Net Assets from Operating Results**

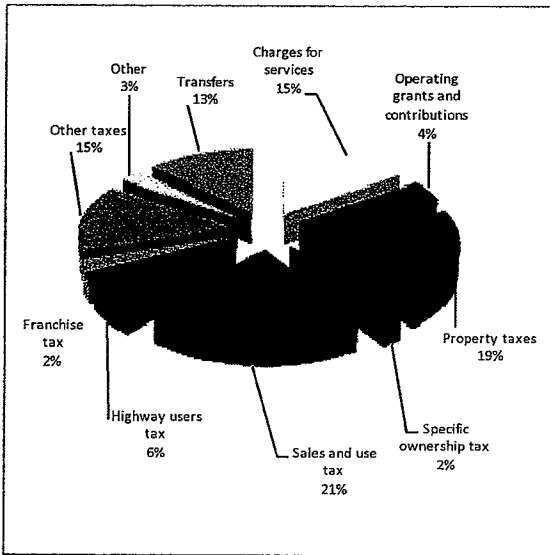
	Governmental Activities	Business Activities	Total 2009	Total 2008
<u>Program revenues</u>				
Charges for services	792,853	9,322,825	10,115,678	9,792,456
Operating grants and contributions	231,325	-	231,325	37,900
Capital grants and contributions	-	609,034	609,034	1,358,417
<u>General revenue</u>				
Property taxes	1,013,087	274,842	1,287,929	1,078,090
Specific ownership tax	102,058	-	102,058	101,223
Sales and use tax	1,095,365	-	1,095,365	1,483,800
Highway users tax	313,589	-	313,589	280,607
Franchise tax	127,980	-	127,980	131,978
Other taxes	767,757	-	767,757	637,898
Earnings on investments	(36,052)	281,099	245,047	711,798
Other	147,245	-	147,245	67,335
Transfers	672,719	(672,719)	-	-
Gain on sale of capital assets	-	-	-	40,582
<u>Total revenues</u>	<u>5,227,926</u>	<u>9,815,081</u>	<u>15,043,007</u>	<u>15,722,084</u>
<u>Expenses</u>				
General government	2,298,305	-	2,298,305	2,353,653
Public safety	1,605,086	-	1,605,086	1,554,003
Public works	3,068,356	-	3,068,356	2,690,665
Interest on long-term debt	225,153	-	225,153	234,729
Water	-	949,306	949,306	962,669
Electric	-	6,130,301	6,130,301	5,949,156
Tri-area drainage	-	389	389	-
<u>Total expenses</u>	<u>7,196,900</u>	<u>7,079,996</u>	<u>14,276,896</u>	<u>13,744,875</u>
 Change in net assets	 (1,968,974)	 2,735,085	 766,111	 1,977,209

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

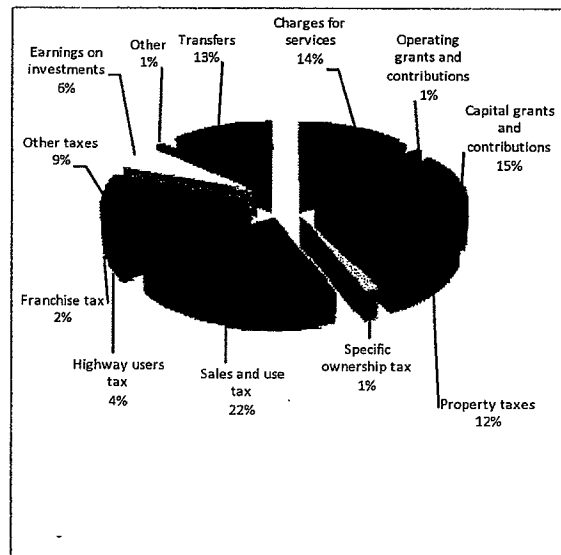
Detailed below in Tables 5 and 6 are charts displaying revenues by sources for governmental and business-type activities of the Town.

**Table 5
Sources of Revenues for Fiscal Year
Governmental Activities**

2009

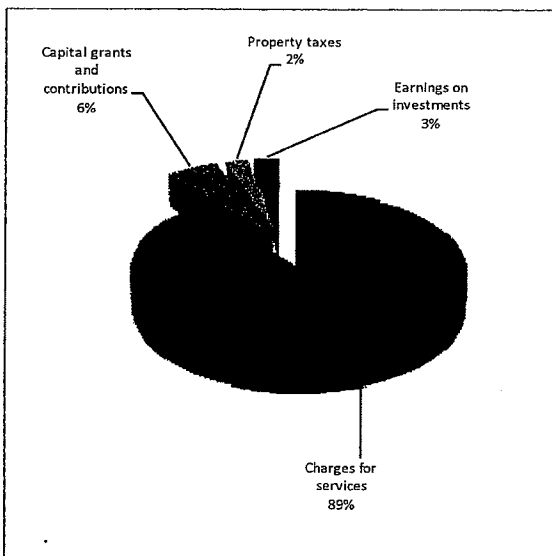


2008

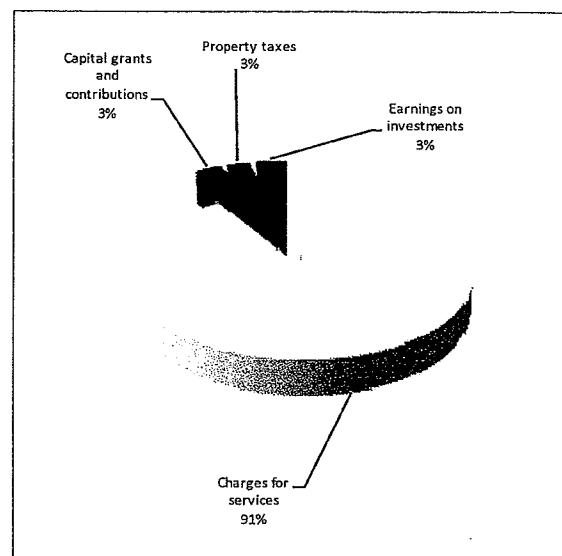


**Table 6
Sources of Revenues for fiscal Year
Business-Type Activities**

2009



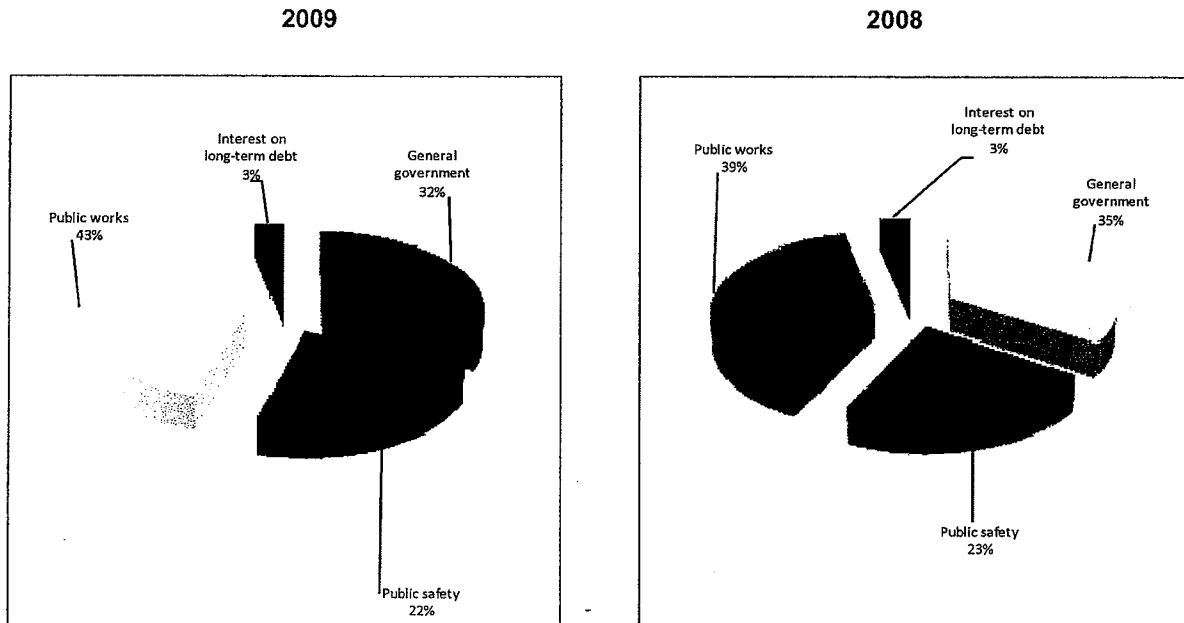
2008



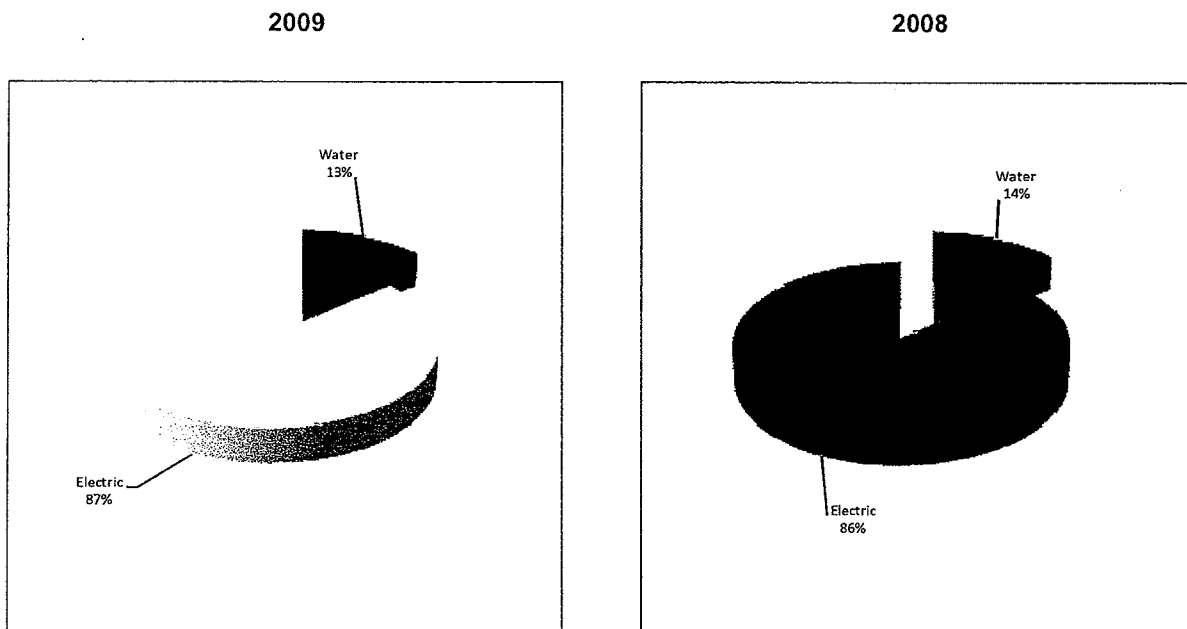
**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

Detailed Below in Table 7 and 8 are charts displaying program expenses for governmental and business-type activities of the Town.

**Table 7
Expenses for Fiscal Year
Governmental Activities**



**Table 8
Expenses for Fiscal Year
Business-Type Activities**



**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

The statement of activities shows the cost of program services and the related charges for services and grant offsetting those costs. Table 9 reflects each program's total cost and net cost of services. That is, it identifies the cost of these services supported by unrestricted property taxes.

**Table 9
Net Cost of Governmental Activities**

	2009		2008
	Total Cost of Services	Net Cost of Services	Total Cost of Services
General government	2,298,305	2,298,305	2,353,653
Public safety	1,605,086	1,399,480	1,554,003
Public works	3,068,356	2,249,784	2,690,665
Interest on long-term debt	225,153	225,153	234,699
Total	7,196,900	6,172,722	6,833,020

Governmental Activities

The decrease in net assets for governmental activities was \$1,112,678 in the 2009.

The governmental funds monitor cash resources and expenditures. Capital outlay within these funds amounted to \$925,909 during 2009. This significant expenditure is not considered an expense on the government-wide statement of activities. Rather, these costs are expensed over time as depreciation expense.

As reflected on the reconciliation of governmental funds revenues and expenditures to the government-wide statement of activities page 20, the net difference between capital outlays and depreciation expenses was \$1,060,273 for 2009.

Financial Analysis of Town Funds

General Fund

The general fund was established and is continually funded to provide for the daily activities, salaries, expenses, and operating costs of the Town. This fund provides for functional areas of the organization - general government, public safety, public works, etc. The primary funding source for the general fund is sales tax revenue, impact fees, unrestricted grants and charges for services provided.

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

General Fund Budgetary Highlights

The Town's budget is prepared according to Colorado law and is based on accounting for certain transaction on a basis of cash receipts and disbursements. The Town's budget for the general fund anticipated that expenditures would exceed revenues by \$646,399. The actual results for the year show expenditures exceeding revenues by \$768,104.

It should be noted that the Town's budget format is designed to establish and monitor divisional functions of the Town's operations to more closely align expenses with the areas of responsibility. These divisions are set up as cost centers for accountability in each of the following areas:

- General Government
- Public Safety
- Public Works

➤ The Town must maintain a 3% emergency reserve as a part of the TABOR Amendment (Taxpayer Bill of Rights). At December 31, 2009, the Town's TABOR reserve amounted to \$329,394.

Proprietary Funds

The Town's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Capital Assets and Debt Administration

Capital Assets

By the end of 2009, the Town had invested \$79,184,636, net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, vehicles and other equipment (See Table 10). This amount represents a net decrease of \$846,311 or -.0106 percent from last year. Additional information on the Town's capital assets can be found in Note 4 to the financial statements. Total depreciation expense for the year was \$1,986,182 in the governmental activities and \$418,554 in the business-type activities.

**Table 10
Capital Assets (Net of Depreciation)**

	Governmental Activities		Business-type Activities	
	2009	2008	2009	2008
Land, water rights and system enhancement fees	2,584,217	2,584,217	34,295,547	34,007,548
Construction in progress	253,880	-	416,301	156,270
Intangible assets	-	-	72,043	-
Buildings	2,605,994	2,673,455	90,922	94,673
Improvements other than buildings	5,388,153	5,263,482	-	-
Streets and improvements	19,878,150	21,231,038	-	-
Utility systems	-	-	12,159,997	12,555,268
Equipment	1,352,114	1,370,589	87,318	94,407
Total	32,062,508	33,122,781	47,122,128	46,908,166

**Town of Frederick
Management's Discussion and Analysis
Year Ended December 31, 2009**

Long-Term Debt

At year end the Town's governmental funds had three outstanding capital leases and the 2006 Sales and Use Tax Bond outstanding which totaled \$4,782,688 at December 31, 2009.

The Town's business-type funds have outstanding debt totaling \$1,038,450 at December 31, 2009.

During 2009, the Town entered into one new capital lease. Colorado Revised Statute 31-15-302(1)(d)(II) states that a municipality's total amount of indebtedness for all purposes shall not at any time exceed three (3%) of actual value, except for such debt as may be incurred in supplying water. The Town's outstanding debt is below this limit.

Fiduciary Fund Activities

Oil Royalty Trust Fund

The fund received \$54,915 of oil royalties and other revenue of \$173,685 and paid out \$38,408 in scholarships and support of other community organizations. The fund balance at December 31, 2009, is \$1,178,848.

Factors Bearing on the Town's Future

At the time these financial statements were prepared and audited, the Town was aware of the following circumstances that could significantly affect its financial health in the future:

The Town's budget for budgets a general property tax revenue of \$1,013,087 (based on an assessed valuation for the Town, of \$171,535,160 and a mill levy of 5.906 mills).

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Frederick at, 401 Locust Street, Frederick, Colorado 80530-0435

BASIC FINANCIAL STATEMENTS

**Town of Frederick
Statement of Net Assets
December 31, 2009**

	Governmental Activities	Business-Type Activities	Total
<u>ASSETS</u>			
Pooled cash and cash equivalents	5,658,155	6,687,075	12,345,230
Pooled investments	-	9,241,461	9,241,461
Receivables	1,267,076	734,952	2,002,028
Other assets	48,244	-	48,244
Deferred charges	115,729	-	115,729
Restricted assets:			
Pooled cash and cash equivalents	-	80,468	80,468
Capital assets, net of accumulated depreciation	32,062,508	47,122,128	79,184,636
<u>Total assets</u>	39,151,712	63,866,084	103,017,796
<u>LIABILITIES</u>			
Accounts payable and other current liabilities	357,988	836,894	1,194,882
Accrued interest payable	10,012	5,831	15,843
Customer deposits	-	18,730	18,730
Unearned revenue	1,013,087	-	1,013,087
Noncurrent liabilities:			
Accrued compensated absences	230,233	-	230,233
Due within one year	287,345	62,739	350,084
Due in more than one year	4,495,343	975,711	5,471,054
<u>Total liabilities</u>	6,394,008	1,899,905	8,293,913
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt	27,279,820	46,083,678	73,363,498
Restricted for:			
Tabor emergency reserve	163,513	-	163,513
Unrestricted for:			
Board designated for art projects	86,236	-	86,236
Undesignated	5,228,135	15,882,501	21,110,636
<u>Total net assets</u>	32,757,704	61,966,179	94,723,883

The accompanying notes are an integral part of these financial statements.

Town of Frederick
Statement of Activities
Year Ended December 31, 2009

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Service</u>	<u>Operating Grants and Contributions</u>	<u>Capital Contributions</u>
Governmental activities:				
General government	2,237,620	-	-	-
Public safety	1,605,086	105,287	100,319	-
Public works	3,068,356	687,566	131,006	-
Interest on long-term debt	225,153	-	-	-
<u>Total government activities</u>	<u>7,136,215</u>	<u>792,853</u>	<u>231,325</u>	<u>-</u>
Business-type activities:				
Water	949,306	1,595,854	-	590,431
Electric	6,130,301	7,478,709	-	6,000
Tri-Area drainage	389	248,262	-	12,603
<u>Total business-type activities</u>	<u>7,079,996</u>	<u>9,322,825</u>	<u>-</u>	<u>609,034</u>
<u>Total primary government</u>	<u>14,216,211</u>	<u>10,115,678</u>	<u>231,325</u>	<u>609,034</u>

General revenues:

Taxes:

Property taxes levied for general purposes

Property taxes levied for debt service

Specific ownership taxes

Sales and use tax

Highway users tax

Franchise tax

Other taxes

Earnings on investments

Miscellaneous

Transfers

Total general revenues and transfers

Changes in net assets

Net assets - beginning

Net assets - ending

The accompanying notes are an integral part of these financial statements.

Net (Expenses) Revenue
and Changes in Net Assets

Governmental Activities	Business-Type Activities	Total
(2,237,620)	-	(2,237,620)
(1,399,480)	-	(1,399,480)
(2,249,784)	-	(2,249,784)
(225,153)	-	(225,153)
(6,112,037)	-	(6,112,037)
-	1,236,979	1,236,979
-	1,354,408	1,354,408
-	260,476	260,476
-	2,851,863	2,851,863
(6,112,037)	2,851,863	(3,260,174)
1,013,087	-	1,013,087
-	274,842	-274,842
102,058	-	102,058
1,095,365	-	1,095,365
313,589	-	313,589
127,980	-	127,980
767,757	-	767,757
(36,052)	281,099	245,047
86,560	-	86,560
672,719	(672,719)	-
4,143,063	(116,778)	4,026,285
(1,968,974)	2,735,085	766,111
34,726,678	59,231,094	93,957,772
32,757,704	61,966,179	94,723,883

**Town of Frederick
Balance Sheet
Governmental Funds
December 31, 2009**

	General	Street and Alley	Open Space	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>					
Pooled cash and investments	154	1,626,599	2,460,592	1,570,810	5,658,155
Receivables	1,165,607	70,924	30,545	-	1,267,076
Due from other funds	-	212,994	-	-	-
Other assets	-	66	-	-	66
<u>Totals assets</u>	<u>1,165,761</u>	<u>1,910,583</u>	<u>2,491,137</u>	<u>1,570,810</u>	<u>6,925,297</u>
<u>LIABILITIES AND FUND BALANCES</u>					
<u>Liabilities</u>					
Accounts payable	45,103	38,290	40,501	2,328	126,222
Due to other funds	212,994	-	-	-	-
Other liabilities	143,918	87,848	-	-	231,766
Deferred revenue	1,013,087	-	-	-	1,013,087
<u>Total liabilities</u>	<u>1,415,102</u>	<u>126,138</u>	<u>40,501</u>	<u>2,328</u>	<u>1,371,075</u>
<u>Fund balances</u>					
Reserved for emergencies	-	-	-	163,513	163,513
Reserved for art projects	-	-	-	86,236	86,236
Unreserved, reported in:					
Designated in general fund	(249,341)	-	-	-	(249,341)
Designated in special revenue funds	-	1,784,445	2,450,636	1,318,733	5,553,814
<u>Total fund balances</u>	<u>(249,341)</u>	<u>1,784,445</u>	<u>2,450,636</u>	<u>1,568,482</u>	<u>5,554,222</u>
<u>Total liabilities and fund balances</u>	<u>1,165,761</u>	<u>1,910,583</u>	<u>2,491,137</u>	<u>1,570,810</u>	<u>6,925,297</u>

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Total fund balances - governmental funds	5,554,222
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Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the fund financial statements.

Capital assets	47,336,812	
Less: accumulated depreciation	(15,274,304)	32,062,508

Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore, are not reported as liabilities in the fund financial statements.

Bonds payable	4,545,000	
Capital lease obligations	237,688	
Accrued compensated absences	230,233	
Accrued interest payable	10,012	(5,022,933)

Debt issuance costs, net of accumulated amortization		115,729
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Prepaid insurance reflected on the government-wide financial statements and was expensed in the year paid on the fund financial statements.		48,178
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Total net assets - governmental activities		<u>32,757,704</u>
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The accompanying notes are an integral part of these financial statements.

Town of Frederick
Statement of Revenues, Expenditures, and
Changes in Fund Balances
Governmental Funds
Year Ended December 31, 2009

	General	Street and Alley	Open Space	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes and impact fees	2,027,167	1,019,441	312,728	60,500	3,419,836
Licenses and permits	303,588	-	-	-	303,588
Intergovernmental	-	17,930	56,000	57,076	131,006
Charges for services	-	351,838	-	32,140	383,978
Fines and forfeitures	105,287	-	-	-	105,287
Earnings on investments	(154,523)	37,658	47,210	33,603	(36,052)
Contributions	100,319	-	-	-	100,319
Miscellaneous	75,155	-	10,000	1,405	86,560
<u>Total revenues</u>	<u>2,456,993</u>	<u>1,426,867</u>	<u>425,938</u>	<u>184,724</u>	<u>4,494,522</u>
<u>Expenditures</u>					
Current:					
General government	2,155,280	4,710	-	-	2,159,990
Public safety	1,514,944	-	-	-	1,514,944
Public works	487,036	639,005	17,805	90,110	1,233,956
Debt service:					
Principal	12,496	232,887	-	32,843	278,226
Interest	-	210,240	-	1,855	212,095
Capital outlay	101,307	224,020	334,154	266,428	925,909
<u>Total expenditures</u>	<u>4,271,063</u>	<u>1,310,862</u>	<u>351,959</u>	<u>391,236</u>	<u>6,325,120</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>(1,814,070)</u>	<u>116,005</u>	<u>73,979</u>	<u>(206,512)</u>	<u>(1,830,598)</u>
<u>Other financing sources (uses)</u>					
Proceeds from capital lease	45,201	-	-	-	45,201
Transfers in	1,000,765	-	-	10,267	1,011,032
Transfers out	-	(204,410)	(131,239)	(2,664)	(338,313)
<u>Total other financing sources (uses)</u>	<u>1,045,966</u>	<u>(204,410)</u>	<u>(131,239)</u>	<u>7,603</u>	<u>717,920</u>
<u>Net changes in fund balances</u>	<u>(768,104)</u>	<u>(88,405)</u>	<u>(57,260)</u>	<u>(198,909)</u>	<u>(1,112,678)</u>
<u>Fund balance - beginning of year</u>	<u>518,763</u>	<u>1,872,850</u>	<u>2,507,896</u>	<u>1,767,391</u>	<u>6,666,900</u>
<u>Fund balance - end of year</u>	<u>(249,341)</u>	<u>1,784,445</u>	<u>2,450,636</u>	<u>1,568,482</u>	<u>5,554,222</u>

The accompanying notes are an integral part of these financial statements.

Town of Frederick
Reconciliation of the Governmental Funds Statement of
Revenues, Expenditures, and Changes in Fund Balances
with the Government-wide Statement of Activities
Year Ended December 31, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:

Net changes in fund balances - governmental funds. (1,112,678)

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Assets and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation exceeds capital outlay in the period.

Depreciation expense	(1,986,182)	
Capital outlay	<u>925,909</u>	(1,060,273)

Amortization of debt issuance costs is included in the Statement of Activities, but does not require the use of current financial resources and is not reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances. (12,163)

Increase in accrued interest payable reflected as an increase of expense on the Statement of Activities and not reflected as an expense on the Statement of Revenues, Expenditures, and Changes in Fund Balances. (895)

Insurance premium expensed in the year paid on the fund financial statements and amortized over the life of the premium on the government-wide Statement of Activities. (4,142)

Repayment of long-term debt principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Assets. 278,226

Increase in accrued compensated absences is reflected as an expense on the Statement of Activities and is not reflected as an expense on the Statement of Revenues, Expenditures and Changes in Fund Balances. (11,848)

Proceeds from capital lease are shown as an other financing source on the Statement of Revenues, Expenditures and Changes in Fund Balances and are not reflected on the Statement of Activities. (45,201)

Changes in net assets of governmental activities (1,968,974)

Town of Frederick
Statement of Revenues, Expenditures, and Changes in Fund
Balances (Budget and Actual) - General and Street and Alley Funds
Year Ended December 31, 2009

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Taxes and fees	2,278,808	2,278,808	2,027,167	(251,641)
Licenses and permits	523,000	523,000	303,588	(219,412)
Intergovernmental	60,000	60,000	-	(60,000)
Charges for services	-	-	-	-
Fines and forfeitures	103,200	103,200	105,287	2,087
Earnings on investments	15,000	15,000	(154,523)	(169,523)
Contributions	40,000	40,000	100,319	60,319
Miscellaneous	126,750	126,750	75,155	(51,595)
<u>Total revenues</u>	<u>3,146,758</u>	<u>3,146,758</u>	<u>2,456,993</u>	<u>(689,765)</u>
<u>Expenditures</u>				
Current:				
General government	2,274,759	2,274,759	2,155,280	119,479
Public safety	1,611,855	1,611,855	1,514,944	96,911
Public works	572,290	572,290	487,036	85,254
Debt service				
Principal	12,370	12,370	12,496	(126)
Interest	-	-	-	-
Capital outlay	100,370	100,370	101,307	(937)
Contingency	767,663	767,663	-	767,663
<u>Total expenditures</u>	<u>5,339,307</u>	<u>5,339,307</u>	<u>4,271,063</u>	<u>1,068,244</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>(2,192,549)</u>	<u>(2,192,549)</u>	<u>(1,814,070)</u>	<u>378,479</u>
<u>Other financing sources (uses)</u>				
Proceeds from capital lease	45,000	45,000	45,201	201
Transfers in	1,501,150	1,501,150	1,000,765	(500,385)
Transfers out	-	-	-	-
<u>Total other financing sources (uses)</u>	<u>1,546,150</u>	<u>1,546,150</u>	<u>1,045,966</u>	<u>(500,184)</u>
<u>Net changes in fund balances</u>	<u>(646,399)</u>	<u>(646,399)</u>	<u>(768,104)</u>	<u>(121,705)</u>
<u>Fund balance - beginning of year (restated)</u>			<u>518,763</u>	
<u>Fund balance - end of year</u>			<u>(249,341)</u>	

The accompanying notes are an integral part of these financial statements.

Street and Alley Fund

Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
Original	Final		
1,116,975	1,116,975	1,019,441	(97,534)
-	-	-	-
-	-	17,930	17,930
-	-	351,838	351,838
-	-	-	-
36,500	36,500	37,658	1,158
1,000,000	1,000,000	-	(1,000,000)
25,000	25,000	-	(25,000)
<u>2,178,475</u>	<u>2,178,475</u>	<u>1,426,867</u>	<u>(751,608)</u>
-	-	4,710	(4,710)
-	-	-	-
513,000	513,000	639,005	(126,005)
232,900	232,900	232,887	13
210,100	210,100	210,240	(140)
1,577,250	1,577,250	224,020	1,353,230
1,287,621	1,287,621	-	1,287,621
<u>3,820,871</u>	<u>3,820,871</u>	<u>1,310,862</u>	<u>2,510,009</u>
<u>(1,642,396)</u>	<u>(1,642,396)</u>	<u>116,005</u>	<u>1,758,401</u>
-	-	-	-
<u>(315,615)</u>	<u>(315,615)</u>	<u>(204,410)</u>	<u>111,205</u>
<u>(315,615)</u>	<u>(315,615)</u>	<u>(204,410)</u>	<u>111,205</u>
<u>(1,958,011)</u>	<u>(1,958,011)</u>	<u>(88,405)</u>	<u>1,869,606</u>
		<u>1,872,850</u>	
		<u>1,784,445</u>	

Town of Frederick
Statement of Revenues, Expenditures, and Changes in Fund
Balances (Budget and Actual) - Open Space Fund
Year Ended December 31, 2009

	Open Space Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual Amounts	
	Original	Final		
<u>Revenues</u>				
Taxes and fees	287,000	287,000	312,728	25,728
Open Space Fees	5,000	5,000	-	(5,000)
Intergovernmental	220,000	220,000	56,000	(164,000)
Earnings on investments	58,000	58,000	47,210	(10,790)
Miscellaneous	-	-	10,000	10,000
<u>Total revenues</u>	<u>570,000</u>	<u>570,000</u>	<u>425,938</u>	<u>(144,062)</u>
<u>Expenditures</u>				
Public works	110,000	110,000	17,805	92,195
Capital outlay	1,115,000	1,115,000	334,154	780,846
Contingency	1,622,949	1,622,949	-	1,622,949
<u>Total expenditures</u>	<u>2,847,949</u>	<u>2,847,949</u>	<u>351,959</u>	<u>2,495,990</u>
<u>Excess (deficiency) of revenues over expenditures</u>	<u>(2,277,949)</u>	<u>(2,277,949)</u>	<u>73,979</u>	<u>2,351,928</u>
<u>Other financing sources (uses)</u>				
Transfers out	(197,141)	(197,141)	(131,239)	65,902
<u>Net changes in fund balances</u>	<u>(2,475,090)</u>	<u>(2,475,090)</u>	<u>(57,260)</u>	<u>2,417,830</u>
<u>Fund balance - beginning of year</u>			2,507,896	
<u>Fund balance - end of year</u>			2,450,636	

The accompanying notes are an integral part of these financial statements.

**Town of Frederick
Statement of Net Assets
Proprietary Funds
December 31, 2009**

<u>ASSETS</u>	<u>Water</u>	<u>Electric</u>	<u>Tri Area Drainage</u>	<u>Total</u>
<u>Current assets</u>				
Pooled cash and cash equivalents	1,671,936	4,590,760	424,379	6,687,075
Pooled investments	6,072,699	3,168,762	-	9,241,461
Receivables	160,126	574,753	73	734,952
<u>Total current assets</u>	<u>7,904,761</u>	<u>8,334,275</u>	<u>424,452</u>	<u>16,663,488</u>
<u>Noncurrent assets</u>				
Restricted pooled cash and investments	80,468	-	-	80,468
Capital assets:				
Land	8,000	17,000	67,999	92,999
Water shares	33,183,548	-	-	33,183,548
System enhancement fee	1,019,000	-	-	1,019,000
Construction in progress	416,301	-	-	416,301
Intangible assets	74,850	-	-	74,850
Building	48,000	102,000	-	150,000
Utility system	11,324,754	4,980,580	-	16,305,334
Equipment	181,542	-	-	181,542
Less accumulated depreciation	(2,842,583)	(1,458,863)	-	(4,301,446)
Total capital assets, net of accumulated depreciation	43,413,412	3,640,717	67,999	47,122,128
<u>Total noncurrent assets</u>	<u>43,493,880</u>	<u>3,640,717</u>	<u>67,999</u>	<u>47,202,596</u>
<u>Total assets</u>	<u>51,398,641</u>	<u>11,974,992</u>	<u>492,451</u>	<u>63,866,084</u>
<u>LIABILITIES</u>				
<u>Current liabilities</u>				
Accounts payable	321,278	515,616	-	836,894
Accrued interest payable	5,831	-	-	5,831
Customer deposits	18,730	-	-	18,730
Current portion of long-term debt	62,739	-	-	62,739
<u>Total current liabilities</u>	<u>408,578</u>	<u>515,616</u>	<u>-</u>	<u>924,194</u>
<u>Noncurrent liabilities</u>				
Note payable	975,711	-	-	975,711
<u>Total noncurrent liabilities</u>	<u>975,711</u>	<u>-</u>	<u>-</u>	<u>975,711</u>
<u>Total liabilities</u>	<u>1,384,289</u>	<u>515,616</u>	<u>-</u>	<u>1,899,905</u>
<u>NET ASSETS</u>				
Invested in capital assets, net of related debt	42,374,962	3,640,717	67,999	46,083,678
Unrestricted	7,639,390	7,818,659	424,452	15,882,501
<u>Total net assets</u>	<u>50,014,352</u>	<u>11,459,376</u>	<u>492,451</u>	<u>61,966,179</u>

The accompanying notes are an integral part of these financial statements.

Town of Frederick
Budget Comparison Schedule
Proprietary Funds
Year Ended December 31, 2009

	Water	Electric	Tri Area Drainage	Total
<u>Operating revenues</u>				
Charges for services	1,583,786	7,446,642	248,262	9,278,690
Miscellaneous	12,068	32,067	-	44,135
<u>Total operating revenues</u>	<u>1,595,854</u>	<u>7,478,709</u>	<u>248,262</u>	<u>9,322,825</u>
<u>Operating expenses</u>				
Administration	70,638	23,519	-	94,157
Operating cost	561,148	5,951,823	389	6,513,360
Depreciation	263,595	154,959	-	418,554
<u>Total operating expenses</u>	<u>895,381</u>	<u>6,130,301</u>	<u>389</u>	<u>7,026,071</u>
<u>Operating income</u>	<u>700,473</u>	<u>1,348,408</u>	<u>247,873</u>	<u>2,296,754</u>
<u>Nonoperating revenues (expenses)</u>				
Property taxes	274,842	-	-	274,842
Earnings on investments	143,073	132,055	5,971	281,099
County treasurer fees	(2,768)	-	-	(2,768)
Interest expense	(51,157)	-	-	(51,157)
<u>Total nonoperating revenues (expenses)</u>	<u>363,990</u>	<u>132,055</u>	<u>5,971</u>	<u>502,016</u>
<u>Income before contributions</u>	<u>1,064,463</u>	<u>1,480,463</u>	<u>253,844</u>	<u>2,798,770</u>
Capital contributions	590,431	6,000	12,603	609,034
Transfer out	(340,463)	(237,443)	(94,813)	(672,719)
<u>Change in net assets</u>	<u>1,314,431</u>	<u>1,249,020</u>	<u>171,634</u>	<u>2,735,085</u>
<u>Net assets - beginning of year</u>	<u>48,699,921</u>	<u>10,210,356</u>	<u>320,817</u>	<u>59,231,094</u>
<u>Net assets - end of year</u>	<u>50,014,352</u>	<u>11,459,376</u>	<u>492,451</u>	<u>61,966,179</u>

The accompanying notes are an integral part of these financial statements.

**Town of Frederick
Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2009**

	Water	Electric	Tri Area Drainage	Total
<u>Cash flows from operating activities</u>				
Cash received from customers	1,551,605	7,501,355	248,189	9,301,149
Cash payments to suppliers for goods and services	(651,725)	(5,938,729)	(389)	(6,590,843)
<u>Net cash flows from operating activities</u>	<u>899,880</u>	<u>1,562,626</u>	<u>247,800</u>	<u>2,710,306</u>
<u>Cash flows from non-capital financing activities</u>				
Property taxes	274,842	-	-	274,842
County treasurer fees	(2,768)	-	-	(2,768)
Operating transfer out	(340,463)	(237,443)	(94,813)	(672,719)
<u>Net cash flows from non-capital financing activities</u>	<u>(68,389)</u>	<u>(237,443)</u>	<u>(94,813)</u>	<u>(400,645)</u>
<u>Cash flows from capital and related financing activities</u>				
Contributed capital	370,431	6,000	12,603	389,034
Principal paid on debt	(59,824)	-	-	(59,824)
Interest paid on debt	(49,993)	-	-	(49,993)
Change in restricted cash	(80,468)	-	-	(80,468)
Acquisition of capital assets	(307,092)	-	(67,999)	(375,091)
<u>Net cash flows from capital and related financing activities</u>	<u>(126,946)</u>	<u>6,000</u>	<u>(55,396)</u>	<u>(176,342)</u>
<u>Cash flows from investing activities</u>				
Earnings on investments	143,073	132,055	5,971	281,099
Investments matured	4,409,600	2,536,881	-	6,946,481
Investments purchased	(5,626,247)	(1,072,920)	-	(6,699,167)
<u>Net cash flows from investing activities</u>	<u>(1,073,574)</u>	<u>1,596,016</u>	<u>5,971</u>	<u>528,413</u>
<u>Net change in cash and cash equivalents</u>	<u>(369,029)</u>	<u>2,927,199</u>	<u>103,562</u>	<u>2,661,732</u>
<u>Cash and cash equivalents - beginning of year</u>	<u>2,040,965</u>	<u>1,663,561</u>	<u>320,817</u>	<u>4,025,343</u>
<u>Cash and equivalents - end of year</u>	<u>1,671,936</u>	<u>4,590,760</u>	<u>424,379</u>	<u>6,687,075</u>

Reconciliation of operating income to net cash flows from operating activities

Operating income	700,473	1,348,408	247,873	2,296,754
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation expense	263,595	154,959	-	418,554
(Increase) decrease in:				
Receivables	(44,252)	22,646	(73)	(21,679)
Increase (decrease) in liabilities:				
Accounts payable	38,704	36,613	-	75,317
Customer deposits	(58,640)	-	-	(58,640)
<u>Net cash flows from operating activities</u>	<u>899,880</u>	<u>1,562,626</u>	<u>247,800</u>	<u>2,710,306</u>

Non-cash investing, capital and financing activities

Contributed capital assets	220,000	-	-	220,000
Capital assets acquired with deposit from prior year	37,424	-	-	37,424

The accompanying notes are an integral part of these financial statements.

**Town of Frederick
Statement of Fiduciary Net Assets
Oil Royalty Trust Fund
December 31, 2009**

	Private Purpose Trust
<u>Assets</u>	
Pooled cash and investments	1,156,305
Accounts receivable	22,543
	<hr/>
<u>Total assets</u>	1,178,848
<u>Liability</u>	<hr/>
	-
<u>Net assets</u>	<hr/>
	1,178,848
	<hr/>

The accompanying notes are an integral part of these financial statements.

Town of Frederick
Statement of Changes in Fiduciary Net Assets
Oil Royalty Trust Fund
Year Ended December 31, 2009

	Private Purpose Trust
<u>Additions</u>	
Oil royalties	54,915
Severance and mineral tax	153,791
Earnings on investments	19,894
	<hr/>
<u>Total additions</u>	228,600
	<hr/>
<u>Deductions</u>	
Purchased services	22,083
Scholarships	4,000
Donations	12,325
	<hr/>
<u>Total deductions</u>	38,408
	<hr/>
<u>Change in net assets</u>	190,192
	<hr/>
<u>Net assets - beginning of year</u>	988,656
	<hr/>
<u>Net assets - end of year</u>	1,178,848
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements.

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Frederick (the "Town") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") as applied to government units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town also applies Financial Accounting Standards Board ("FASB") statements and interpretations issued on or before November 30, 1989, to its governmental and business-type activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the Town's accounting policies are described below.

Reporting Entity

GAAP requires that the reporting entity include; (1) the primary government, (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on the application of these criteria, the Town does not include any component units within its reporting entity.

Government-wide and Fund Financial Statements

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include; 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due (matured).

**Town of Frederick
Notes to Financial Statements
December 31, 2009**

Note 1 - Summary of Significant Accounting Policies (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The Town reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the Town. It is used to accounts for all financial resources except those required to be accounted for in another fund.

Street and Alley Fund - The Street and Alley Fund, a special revenue fund, is used to account for revenues derived from specific sources and to account for the construction and maintenance of the Town's streets and alleys.

Open Space Fund - The Open Space Fund, a special revenue fund, is used to account for impact fees and sales and use taxes approved by the voters to acquire and maintain open space areas within the Town.

The other governmental funds (nonmajor funds) are Special Revenue Funds (Conservation Trust, Emergency Reserve, Capital Facilities and Park Funds) and have been established to account for revenues derived from specific taxes or other earmarked revenues sources which finance specific activities as required by law or administrative action.

Proprietary Funds - Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town's major enterprise funds include the Water, Sewer and Tri-Area Drainage Funds.

The Town applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB Pronouncements: Financial Accounting Standards Board ("FASB") Statements and Interpretations, Accounting Principles Board ("APB") Opinions and Accounting Research Bulletins ("ARBs"). As permitted by GASB No. 20, the Town has elected not to follow subsequent private-sector guidance in its business-type activities and enterprise funds.

Accounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. General revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and of the government's internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Fiduciary Funds - Trust and Agency Funds are used to account for assets held by the Town in a trustee or as an agent for individuals, private organizations, other governments, and/or other funds. The Town's only trust fund is the Oil Royalty Trust Fund.

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

An annual budget and appropriation ordinance is adopted by the Board of Trustees in accordance with the Colorado State Statutes. The budget is prepared on a basis consistent with GAAP for all governmental and proprietary funds.

On or about October 15, the Town staff submits to the Board of Trustees a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Also, public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for those funds with amended budgets for the year ended December 31, 2009:

	<u>Original Budget</u>	<u>Total Revisions</u>	<u>Revised Budget</u>
<u>Governmental funds:</u>			
General	5,339,307	-	5,339,307
<u>Special revenue funds:</u>			
Street and alley	4,136,486	-	4,136,486
Open space	3,045,090	-	3,045,090
Conservation trust	208,686	-	208,686
Emergency reserve	355,167	-	355,167
Capital facilities	267,890	-	267,890
Park	1,235,580	-	1,235,580
<u>Business-type funds:</u>			
Water	9,921,475	-	9,921,475
Electric	14,306,052	-	14,306,052
Tri-area drainage	806,343	-	806,343
<u>Fiduciary funds:</u>			
Oil royalty trust	1,109,655	-	1,109,655
<u>Total funds</u>	<u>40,731,731</u>	<u>-</u>	<u>40,731,731</u>

Cash, Cash Equivalents and Investments

Cash and cash equivalents include cash on hand, demand deposits, and participation in local government investment pools. All cash equivalents have an original maturity date of three months or less. Cash balances from different funds are combined and invested to the extent possible in local government investment pools. Investments are carried at fair value.

Revenue Recognition/Property Taxes

Property taxes attach an enforceable lien on property as of January 1. Taxes are levied in December and are payable in full by April 30 or in two equal installments due February 28 and June 15. The County Treasurer bills and collects property taxes for all taxing entities within the County. The property tax receipts collected by the County Treasurer each month are remitted to the Town by the tenth day of the subsequent month.

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 1 - Summary of Significant Accounting Policies (Continued)

Revenue Recognition/Property Taxes (Continued)

Property tax revenues are recognized when collected by the County Treasurer each month. Property tax revenue held by the County Treasurer on December 31 is treated as revenue of the current year. Delinquent taxes of prior years are recognized as revenue when collected by the County Treasurer.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide statement of net assets and, classified as due from other funds or due to other funds on the balance sheet.

Deferred Charges

Bond issuance costs are recorded as deferred charges in the accounts of the Enterprise Fund. They are amortized over the term of the bond using the effective-interest method.

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and furniture and fixtures, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

	Governmental Activities Estimated Lives	Business-type Activities Estimated Lives
Land, water rights and intangibles	10 years	N/A
Construction in progress	N/A	N/A
Intangible assets	10 years	N/A
Buildings	20 - 50 years	20 - 50 years
Improvements other than buildings	20 - 50 years	20 - 50 years
Equipment	5 - 20 years	7 - 10 years
Streets	20 - 40 years	N/A
Utility systems	N/A	30 - 50 years

Accrued Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Town of Frederick
Notes to Financial Statements
December 31, 2009**

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance and Net Assets

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets – This category represents net assets which are not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of the governmental fund are classified in separate categories. The categories, and their general meanings, are as follows:

Reserved fund balance – Indicates that portion of fund equity which has been legally segregated for specific purposes or is not available for appropriation.

Unreserved designated fund balance – Indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved undesignated fund balance or deficits – Indicates that portion of fund equity which is available for appropriation and expenditure in future periods. A deficit will require future funding.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

Contribution of Capital

Contributions of capital in proprietary funds financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources to capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2009.

Note 2 - Change in Fund Categorization

In 2008, the Town presented the Tri-Area Drainage Fund as a governmental fund. The Town has established fees and charges sufficient to support the activities of the Tri-Area Drainage Fund; and the primary source of revenues for the Tri-Area Drainage Fund is expected to be from charges to customers. Accordingly, management of the Town has determined that the Tri-Area Drainage Fund is more appropriately presented as an enterprise fund.

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 3 - Cash and Investments

A summary of cash and cash equivalents as of December 31, 2009 follows:

Cash on hand	452
Cash with county treasurer	44,780
Cash deposits	2,294,970
Local government investment pools	<u>11,241,801</u>
Total	<u>13,582,003</u>

Pooled cash and investments are classified in the Statements of Net Assets and Fiduciary Net Assets as follows:

Unrestricted pooled cash and investments:

Governmental activities	5,658,155
Business-type activities	15,928,536

Restricted pooled cash and investments:

Business-type activities	80,468
Fiduciary funds	<u>1,156,305</u>

Total	<u>22,823,464</u>
--------------	--------------------------

A summary of investments held by the Town at December 31, 2009 were as follows:

<i>Investments</i>	Cost	Fair Value	Investment Rating		Yield to Maturity	Concentration of Credit Risk
			Standard & Poors	Moody's		
Federal Home Loan Bank Note due August 24, 2010	499,500	501,701	AAA	Aaa	2.52%	5.4%
Federal Home Loan Bank Note due November 2, 2010	523,476	514,872	AAA	Aaa	1.17%	5.6%
Federal Home Loan Bank Note due November 5, 2010	500,000	513,697	AAA	Aaa	4.13%	5.6%
Federal Home Loan Bank Discount Note due June 10, 2011	487,435	513,810	AAA	Aaa	4.03%	5.6%
Federal Home Loan Bank Note due October 15, 2012	499,453	499,364	AAA	Aaa	2.29%	5.4%
Federal Home Loan Bank Note due October 15, 2014	750,000	748,586	AAA	Aaa	1.50%	8.1%
Federal Home Loan Bank Note due November 10, 2014	625,000	623,806	AAA	Aaa	1.50%	6.8%
Federal National Mortgage Association Note due January 4, 2013	513,845	500,000	AAA	Aaa	1.45%	5.4%
Federal National Mortgage Association Note due January 4, 2013	509,745	509,151	AAA	Aaa	3.37%	5.5%
Federal National Mortgage Association Note due January 4, 2013	500,000	502,924	AAA	Aaa	2.00%	5.4%

**Town of Frederick
Notes to Financial Statements
December 31, 2009**

Note 3 - Cash and Investments (Continued)

<i>Investments</i>	Cost	Fair Value	Investment Rating		Yield to Maturity	Concentration of Credit Risk
			Standard & Poors	Moody's		
Federal National Mortgage Association Note due January 4, 2013	500,000	495,182	AAA	Aaa	2.40%	5.4%
Federal Farm Credit Bank Note due July 15, 2010	500,577	507,413	AAA	Aaa	3.14%	5.5%
Federal Farm Credit Bank Note due July 7, 2014	502,500	510,153	AAA	Aaa	3.18%	5.5%
Federal Farm Credit Bank Note due July 23, 2012	498,477	528,310	AAA	Aaa	4.03%	5.7%
Federal Home Loan Mortgage Corporation Note due April 20, 2012	516,900	501,032	AAA	Aaa	1.85%	5.4%
Federal Home Loan Mortgage Corporation Note due March 16, 2011	698,950	701,744	AAA	Aaa	2.08%	7.6%
Walmart Note due February 15, 2011	573,458	569,716	AAA	Aaa	1.49%	6.2%
Total investments	<u>9,199,316</u>	<u>9,241,461</u>				

Cash Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, a government will not be able to recover its deposits. The Town's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels (\$250,000 as of December 31, 2009) must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commission for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2009 all of the Town's deposits as shown above were either insured by federal depository insurance or collateralized under PDPA and are therefore not deemed to be exposed to custodial credit risk.

Investments

Credit Risk

The Town's investment policy defines allowable investment instruments, including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit with original maturities of greater than three months
- Commercial paper rated in the highest tier by a nationally recognized rating agency
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities

**Town of Frederick
Notes to Financial Statements
December 31, 2009**

Note 3 - Cash and Investments (Continued)

Credit Risk (Continued)

- Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2009, the Town had no investments exposed to custodial credit risk.

Local Government Investment Pools

At December 31, 2009, the Town had invested \$5,489,773 in COLOTRUST, local government investment pool established in Colorado to pool surplus funds for investment purposes. The fund operates similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAM by Standard & Poor's. The investment policy of COLOTRUST does not include investing in derivatives. Separate financial statements can be obtained by calling (303) 864-7474 or going to www.colotrust.com.

At December 31, 2009, the District had invested \$5,752,028 in Colorado Surplus Asset Fund Trust ("CSAFE"), a local government investment pool. As an investment pool, CSAFE operates under the Colorado Revised Statutes (24-75-701) and is overseen by the Colorado Securities Commissioner. CSAFE invests in securities that are specified by the Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). CSAFE operates similar to a 2a-7-like money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days. CSAFE is rated AAAM by the Standard & Poor's Corporation. U.S. Bank provides banking services and trust custody for securities held on behalf of the participating governments in CSAFE. The custodian's internal records identify the investments owned by the participating governments. Separate financial statements can be obtained by calling (303) 296-6340 or going to www.csafe.org.

Interest Rate Risk

Colorado Revised Statutes and the Town's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fluctuation in fair value arising from changing interest rates.

Restricted Pooled Cash and Investments

The restricted pooled cash and investments in the enterprise funds is \$80,468 for the operations and maintenance reserve as required by the 2003 water revenue note.

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 4 - Receivables

Receivables at December 31, 2009, consist of the following:

<u>Receivables</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Fiduciary-type Activities</u>	<u>Total</u>
Taxes	1,013,087	-	-	1,013,087
Accounts	42,904	734,952	22,543	800,399
Intergovernmental	182,597	-	-	182,597
Other	28,488	-	-	28,488
<u>Total</u>	<u>1,267,076</u>	<u>734,952</u>	<u>22,543</u>	<u>2,024,571</u>

Note 5 - Interfund Transfers

Transfers are used to; (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Interfund transfers for the year ended December 31, 2009 were as follows:

<u>Interfund Transfers</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Governmental funds:		
Major funds:		
General fund	1,000,765	-
Street and alley fund	-	204,410
Open space fund	-	131,239
Total major funds		
Nonmajor funds	10,267	2,664
<u>Total governmental funds</u>	<u>1,011,032</u>	<u>338,313</u>
Proprietary funds:		
Major funds:		
Water fund	-	340,463
Electric fund	-	237,443
Tri-area drainage fund	-	94,813
Total proprietary funds	-	672,719
<u>Total transfers</u>	<u>1,011,032</u>	<u>1,011,032</u>

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 6 - Capital Assets

A summary of changes in governmental-activities capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	2,584,217	-	-	2,584,217
Construction in progress	-	253,880	-	253,880
Total capital assets, not being depreciated	2,584,217	253,880	-	2,838,097
Capital assets, being depreciated:				
Buildings	3,139,302	-	-	3,139,302
Improvements other than buildings	6,015,964	271,539	-	6,287,503
Equipment	2,456,623	189,430	-	2,646,053
Streets	32,214,797	211,060	-	32,425,857
Total capital assets, being depreciated	43,826,686	672,029	-	44,498,715
Less accumulated depreciation for:				
Buildings	(465,847)	(67,461)	-	(533,308)
Improvements other than buildings	(752,482)	(146,868)	-	(899,350)
Equipment	(1,086,034)	(207,905)	-	(1,293,939)
Streets	(10,983,759)	(1,563,948)	-	(12,547,707)
Total accumulated depreciation	(13,288,122)	(1,986,182)	-	(15,274,304)
Total capital assets, being depreciated, net	30,538,564	(1,314,153)	-	29,224,411
Governmental activities capital assets, net	33,122,781	(1,060,273)	-	32,062,508

Depreciation for governmental activities has been allocated to various activities as follows:

General government	61,640
Public safety	90,142
Public works	1,834,400
Depreciation expense - governmental activities	1,986,182

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 6 - Capital Assets (Continued)

A summary of changes in business-type activities capital assets is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	25,000	67,999	-	92,999
Water rights	32,963,548	220,000	-	33,183,548
System enhancement fee	1,019,000	-	-	1,019,000
Construction in progress	156,271	260,030	-	416,301
Total capital assets, not being depreciated	34,163,819	548,029	-	34,711,848
Capital assets, being depreciated:				
Intangible assets	-	74,850	-	74,850
Buildings	150,000	-	-	150,000
Utility systems	16,305,334	-	-	16,305,334
Equipment	171,906	9,636	-	181,542
Total capital assets, being depreciated	16,627,240	84,486	-	16,711,726
Less accumulated depreciation for:				
Intangible assets	-	(2,807)	-	(2,807)
Buildings	(55,327)	(3,751)	-	(59,078)
Utility systems	(3,750,066)	(395,271)	-	(4,145,337)
Equipment	(77,499)	(16,725)	-	(94,224)
Total accumulated depreciation	(3,882,892)	(418,554)	-	(4,301,446)
Total capital assets, being depreciated, net	12,744,348	(334,068)	-	12,410,280
Business-type activities capital assets, net	46,908,167	213,961	-	47,122,128

Depreciation for business-type activities has been allocated to various activities as follows:

Water	263,595
Electric	154,959
Storm Drainage	-
Depreciation expense - business-type activities	418,554

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 7 - Long-Term Debt

Following is a summary of the governmental-activities debt transactions for the year ended December 31, 2009:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental activities debt:					
Sixty month lease with a leasing company dated July 1, 2005, to acquire golf course equipment costing \$154,000. The lease requires semi-annual payments of \$17,349 principal and interest, at 4.45%, through July 2, 2010. Funded by the Public Works Fund.	49,814	-	32,843	16,971	16,971
2006 Sales and Use Tax Revenue Bonds due in annual installments of \$175,000 in 2008 increasing to \$360,000 in 2026; interest at 4.25%. Funded by the Street and Alley Fund.	4,720,000	-	175,000	4,545,000	200,000
Sixty month lease with a leasing company dated January 20, 2008, to acquire a motor grader and loader. The lease requires quarterly payments \$16,695 principal and interest at 3.95%, through December 20, 2012. Funded by the Street and Alley Fund.	245,899	-	57,887	188,012	60,216
Thirty six month lease with a leasing company dated July 6, 2009, to acquire 2 police cars. The lease requires annual payments of \$12,496 principal and interest at 7.15%, through July 6, 2010. Funded by the General Fund.	-	45,201	12,496	32,705	10,158
Total	5,015,713	45,201	278,226	4,782,688	287,345

Assets acquired through lease purchases have a book value at December 31, 2009, as shown below:

Machinery and equipment	517,444
Less accumulated depreciation	(88,728)
Total	428,716

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 7 - Long-Term Debt (Continued)

Future debt service requirements

The following table represents future debt service requirements on the governmental activity debt.

Year Ending December 31	Governmental activities	
	Principal	Interest
2010	287,345	203,040
2011	273,522	191,013
2012	276,821	179,215
2013	215,000	168,260
2014	225,000	157,510
2015-2019	1,260,000	634,240
2020-2025	1,535,000	352,567
2026	710,000	46,010
<u>Total</u>	<u>4,782,688</u>	<u>1,931,855</u>

Following is a summary of the business-type activities debt transactions for the year ended December 31, 2009:

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Business-type activities:					
\$479,000, 1978 GO Water System Improvement bond due in annual installments of \$17,000 in 2007, increasing to \$28,000 in 2018; interest at 5%. Funded by the Water Fund.	224,000	-	18,000	206,000	19,000
\$1,057,492, 2003 Water Revenue Note Payable due in quarterly installments of \$20,117 principal and interest, at 4.5%, through January 1, 2024. Funded by the Water Fund.	874,274	-	41,824	832,450	43,739
<u>Total</u>	<u>1,098,274</u>	<u>-</u>	<u>59,824</u>	<u>1,038,450</u>	<u>62,739</u>

Town of Frederick
Notes to Financial Statements
December 31, 2009

Note 7 - Long-Term Debt (Continued)

Future Debt Service Requirements

The following table represents future debt service requirements on the business-type activity debt.

Year Ending December 31	Business type activities	
	Principal	Interest
2010	62,739	47,029
2011	64,740	44,077
2012	68,834	41,034
2013	72,023	37,795
2014	73,730	34,988
2015-2019	396,107	122,433
2020-2024	300,277	41,043
<u>Total</u>	<u>1,038,450</u>	<u>368,399</u>

Note 8 - Reserve/designated fund balance

The following is a summary of the purposes of fund balance reservation in the various funds:

<u>Fund</u>	<u>Purpose</u>
Emergency reserve	Reserved for emergencies as defined under Amendment One in the amount of \$163,513.
Capital facilities	Reserved for future art projects in the amount of \$86,236.
Oil royalty trust	Reserved for capital improvements and donations to organizations whose activities benefit the well-being of the citizens of the Town of Frederick in the amount of \$1,265,084.

Note 9 - Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The District maintains commercial insurance to mitigate their risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

Note 10 - Taxes, Spending, and Debt Limitations

In November 1992, Colorado voter passed an amendment (The "Amendment" or "TABOR") to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and "fiscal year spending" include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes federal funds, gifts, property sales, fund transfers, damage awards, and the use of fund reserves from the calculation of spending. The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the "spending limit" must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

**Town of Frederick
Notes to Financial Statements
December 31, 2009**

Note 10 - Taxes, Spending, and Debt Limitations (Continued)

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the Amendment, exclude economic conditions, revenue shortfalls, or salary of fringe benefit increase. These reserves are required to be 3.0% or more of fiscal year spending (excluding bonded debt service). The Town has reserved \$71,706 for this purpose.

On November 7, 1995, the voting citizens of the Town of Frederick authorized the Town (retroactive to January 1, 1994) to retain all of the revenues from all sources generated during 1994 and subsequent years, and spend the same as a voter-approved revenue change as an exception to limits which would otherwise apply for each of said years. This effectively removed all revenue and spending limits imposed by TABOR.

Note 11 - Risks, Uncertainties and Contingencies

Litigation

The City is currently involved in legal proceedings which, in the opinion of management, will not have a material adverse effect upon the financial position of the City.

Note 12 - Subsequent Events

The Town evaluated subsequent events through September 21, 2010, the date these financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

OTHER SUPPLEMENTARY INFORMATION

**Town of Frederick
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2009**

	Conservation Trust Fund	Emergency Reserve	Capital Facilities	Park Fund	Total Nonmajor Governmental Funds
<u>ASSETS</u>					
Pooled cash and investments	212,295	329,394	144,517	884,604	1,570,810
<u>Total assets</u>	<u>212,295</u>	<u>329,394</u>	<u>144,517</u>	<u>884,604</u>	<u>1,570,810</u>
<u>LIABILITIES</u>					
Accounts payable	-	-	120	2,208	2,328
<u>Total liabilities</u>	<u>-</u>	<u>-</u>	<u>120</u>	<u>2,208</u>	<u>2,328</u>
<u>FUND BALANCES</u>					
Reserved for emergencies	-	163,513	-	-	163,513
Reserved for art projects	-	-	86,236	-	86,236
Unreserved:					
Undesignated	212,295	165,881	58,161	882,396	1,318,733
<u>Total fund balances</u>	<u>212,295</u>	<u>329,394</u>	<u>144,397</u>	<u>882,396</u>	<u>1,568,482</u>
<u>Total liabilities and fund balances</u>	<u>212,295</u>	<u>329,394</u>	<u>144,517</u>	<u>884,604</u>	<u>1,570,810</u>

See accompanying Independent Auditors' Report.

Town of Frederick
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2009

	Conservation Trust Fund	Emergency Reserve	Capital Facilities	Park Fund	Total Nonmajor Governmental Funds
<u>Revenues</u>					
Taxes and impact fees	-	-	36,000	24,500	60,500
Intergovernmental	37,076	-	-	20,000	57,076
Charges for services	-	-	-	32,140	32,140
Earnings on investments	3,637	6,286	2,972	20,708	33,603
Miscellaneous	-	-	870	535	1,405
<u>Total revenues</u>	<u>40,713</u>	<u>6,286</u>	<u>39,842</u>	<u>97,883</u>	<u>184,724</u>
<u>Expenditures</u>					
Current					
Public works	-	-	32,507	57,603	90,110
Debt service					
Principal	-	-	32,843	-	32,843
Interest	-	-	1,855	-	1,855
Capital outlay	-	-	-	266,428	266,428
<u>Total expenditures</u>	<u>-</u>	<u>-</u>	<u>67,205</u>	<u>324,031</u>	<u>391,236</u>
<u>Revenues over (under) expenditures</u>	<u>40,713</u>	<u>6,286</u>	<u>(27,363)</u>	<u>(226,148)</u>	<u>(206,512)</u>
<u>Other financing sources (uses)</u>					
Transfers in	-	-	10,267	-	10,267
Transfers out	-	-	-	(2,664)	(2,664)
<u>Total other financing sources (uses)</u>	<u>-</u>	<u>-</u>	<u>10,267</u>	<u>(2,664)</u>	<u>7,603</u>
<u>Net changes in fund balances</u>	<u>40,713</u>	<u>6,286</u>	<u>(17,096)</u>	<u>(228,812)</u>	<u>(198,909)</u>
<u>Fund balance - beginning of year</u>	<u>171,582</u>	<u>323,108</u>	<u>161,493</u>	<u>1,111,208</u>	<u>1,767,391</u>
<u>Fund balance - end of year</u>	<u>212,295</u>	<u>329,394</u>	<u>144,397</u>	<u>882,396</u>	<u>1,568,482</u>

See accompanying Independent Auditors' Report.

**Town of Frederick
Conservation Trust Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
State lottery	36,000	36,000	37,076	1,076
Earnings on investments	3,500	3,500	3,637	137
<u>Total revenues</u>	<u>39,500</u>	<u>39,500</u>	<u>40,713</u>	<u>1,213</u>
<u>Expenditures</u>				
Capital outlay				
Park improvements	70,000	70,000	-	70,000
Contingency	138,686	138,686		138,686
<u>Total expenditures</u>	<u>208,686</u>	<u>208,686</u>	<u>-</u>	<u>138,686</u>
<u>Net change in fund balance</u>	<u>(169,186)</u>	<u>(169,186)</u>	<u>40,713</u>	<u>139,899</u>
<u>Fund balance - beginning of year</u>			<u>171,582</u>	
<u>Fund balance - end of year</u>			<u>212,295</u>	

See accompanying Independent Auditors' Report.

**Town of Frederick
Emergency Reserve Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Investment earnings	6,600	6,600	6,286	(314)
<u>Total revenues</u>	6,600	6,600	6,286	(314)
<u>Expenditures</u>				
Contingency	355,167	355,167	-	355,167
<u>Total expenditures</u>	355,167	355,167	-	355,167
<u>Net change in fund balance</u>	<u>(348,567)</u>	<u>(348,567)</u>	6,286	<u>354,853</u>
<u>Fund balance - beginning of year</u>			323,108	
<u>Fund balance - end of year</u>			<u>329,394</u>	

See accompanying Independent Auditors' Report.

**Town of Frederick
Capital Facilities Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Taxes and impact fees	165,000	165,000	36,000	(129,000)
Earnings on investments	1,500	1,500	2,972	1,472
Grants and contributions	2,000	2,000	-	(2,000)
Miscellaneous	10,000	10,000	870	(9,130)
<u>Total revenues</u>	<u>178,500</u>	<u>178,500</u>	<u>39,842</u>	<u>(138,658)</u>
<u>Expenditures</u>				
Public works	55,000	55,000	32,507	22,493
Debt service				
Principal	32,130	32,130	32,843	(713)
Interest	2,570	2,570	1,855	715
Contingency	103,190	103,190	-	103,190
<u>Total expenditures</u>	<u>192,890</u>	<u>192,890</u>	<u>67,205</u>	<u>125,685</u>
<u>Excess of revenues over expenditures</u>	<u>(14,390)</u>	<u>(14,390)</u>	<u>(27,363)</u>	<u>(12,973)</u>
<u>Other financing sources</u>				
Transfers in	36,500	36,500	10,267	(26,233)
Transfers out	(75,000)	(75,000)	-	75,000
<u>Net change in fund balance</u>	<u>(52,890)</u>	<u>(52,890)</u>	<u>(17,096)</u>	<u>35,794</u>
<u>Fund balance - beginning of year</u>			<u>161,493</u>	
<u>Fund balance - end of year</u>			<u>144,397</u>	

See accompanying Independent Auditors' Report.

**Town of Frederick
Park Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Revenues</u>				
Park impact fees	10,000	10,000	24,500	14,500
Intergovernmental	100,000	100,000	20,000	(80,000)
Charges for services	30,650	30,650	32,140	1,490
Earnings on investments	20,000	20,000	20,708	708
Other	-	-	535	535
<u>Total revenues</u>	<u>160,650</u>	<u>160,650</u>	<u>97,883</u>	<u>(62,767)</u>
<u>Expenditures</u>				
Public works	58,000	58,000	57,603	397
Reimbursements	420,000	420,000	-	420,000
Capital outlay				
Park improvements	100,000	100,000	266,428	(166,428)
Contingency	656,580	656,580	-	656,580
<u>Total expenditures</u>	<u>1,234,580</u>	<u>1,234,580</u>	<u>324,031</u>	<u>656,580</u>
<u>Excess of revenues over expenditures</u>	<u>(1,073,930)</u>	<u>(1,073,930)</u>	<u>(226,148)</u>	<u>593,813</u>
<u>Other financing sources</u>				
Transfer out	(1,000)	(1,000)	(2,664)	(1,664)
<u>Net change in fund balance</u>	<u>(1,073,930)</u>	<u>(1,073,930)</u>	<u>(228,812)</u>	<u>593,813</u>
<u>Fund balance - beginning of year</u>			<u>1,111,208</u>	
<u>Fund balance - end of year</u>			<u>882,396</u>	

See accompanying Independent Auditors' Report.

**Town of Frederick
Water Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Operating revenues</u>				
Charges for services	1,670,000	1,670,000	1,583,786	(86,214)
Miscellaneous	16,050	16,050	12,068	(3,982)
<u>Total operating revenues</u>	<u>1,686,050</u>	<u>1,686,050</u>	<u>1,595,854</u>	<u>(90,196)</u>
<u>Operating expenses</u>				
Administration	57,050	57,050	70,638	13,588
Operations	1,766,800	1,766,800	561,148	(1,205,652)
Depreciation	-	-	263,595	263,595
Contingency	5,285,624	5,285,624	-	(5,285,624)
<u>Total operating expenses</u>	<u>7,109,474</u>	<u>7,109,474</u>	<u>895,381</u>	<u>(6,214,093)</u>
<u>Operating income (loss)</u>	<u>(5,423,424)</u>	<u>(5,423,424)</u>	<u>700,473</u>	<u>6,123,897</u>
<u>Nonoperating revenues (expenses)</u>				
Capital contributions	1,357,650	1,357,650	590,431	(767,219)
Property taxes	275,765	275,765	274,842	(923)
Earnings on investments	128,300	128,300	143,073	14,773
County treasurer fees	(2,760)	(2,760)	(2,768)	(8)
Interest expense	(50,310)	(50,310)	(51,157)	(847)
Principal paid	(59,360)	(59,360)	(59,824)	(464)
Capital outlay	(2,163,000)	(2,163,000)	(489,666)	1,673,334
<u>Total nonoperating revenues (expenses)</u>	<u>(513,715)</u>	<u>(513,715)</u>	<u>404,931</u>	<u>918,646</u>
<u>Income (loss) before transfers</u>	<u>(5,937,139)</u>	<u>(5,937,139)</u>	<u>1,105,404</u>	<u>7,042,543</u>
Transfers in	17,721	17,721	-	(17,721)
Transfers out	(536,571)	(536,571)	(340,463)	196,108
<u>Net income (loss) budgetary basis</u>	<u>(6,455,989)</u>	<u>(6,455,989)</u>	<u>764,941</u>	<u>7,220,930</u>
<u>Reconciliation to a GAAP basis</u>				
Capital Outlay			489,666	
Principal paid			59,824	
<u>Change in net assets</u>			<u>1,314,431</u>	
<u>Net assets - beginning of period</u>			<u>48,699,924</u>	
<u>Net assets - end of period</u>			<u>50,014,355</u>	

See accompanying Independent Auditors' Report.

Town of Frederick
Electric Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Operating revenues</u>				
Charges for services	7,680,500	7,680,500	7,446,642	(233,858)
Miscellaneous	3,000	3,000	32,067	29,067
<u>Total operating revenues</u>	<u>7,683,500</u>	<u>7,683,500</u>	<u>7,478,709</u>	<u>(204,791)</u>
<u>Operating expenses</u>				
Administration	13,200	13,200	23,519	10,319
Operations	6,224,000	6,224,000	5,951,823	(272,177)
Depreciation	-	-	154,959	154,959
Contingency	6,900,187	6,900,187	-	(6,900,187)
<u>Total operating expenses</u>	<u>13,137,387</u>	<u>13,137,387</u>	<u>6,130,301</u>	<u>(7,007,086)</u>
<u>Operating income (loss)</u>	<u>(5,453,887)</u>	<u>(5,453,887)</u>	<u>1,348,408</u>	<u>6,802,295</u>
<u>Nonoperating revenues (expenses)</u>				
Capital contributions	587,500	587,500	6,000	(581,500)
Earnings on investments	120,000	120,000	132,055	12,055
Capital outlay	(800,000)	(800,000)	-	800,000
<u>Total nonoperating revenues (expenses)</u>	<u>(92,500)</u>	<u>(92,500)</u>	<u>138,055</u>	<u>230,555</u>
<u>Income (loss) before transfers</u>	<u>(5,546,387)</u>	<u>(5,546,387)</u>	<u>1,486,463</u>	<u>7,032,850</u>
<u>Transfers out</u>	<u>(368,665)</u>	<u>(368,665)</u>	<u>(237,443)</u>	<u>131,222</u>
<u>Net income (loss) budgetary basis</u>	<u>(5,915,052)</u>	<u>(5,915,052)</u>	<u>1,249,020</u>	<u>7,164,072</u>
<u>Reconciliation to a GAAP basis</u>				
Capital Outlay			-	
<u>Change in net assets</u>			<u>1,249,020</u>	
<u>Net assets - beginning of period</u>			<u>10,210,356</u>	
<u>Net assets - end of period</u>			<u>11,459,376</u>	

See accompanying Independent Auditors' Report.

**Town of Frederick
Tri-Area Drainage Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<u>Revenues</u>				
Drainage fees	400,000	400,000	248,262	(151,738)
<u>Total revenues</u>	400,000	400,000	248,262	(151,738)
<u>Expenditures</u>				
Repairs and maintenance	5,000	5,000	389	4,611
Contingency	520,317	520,317	-	520,317
<u>Total expenditures</u>	525,317	525,317	389	524,928
<u>Operating income (loss)</u>	(125,317)	(125,317)	247,873	(676,666)
<u>Nonoperating revenues (expenses)</u>				
Capital contributions	77,850	77,850	12,603	(65,247)
Earnings on investments	8,000	8,000	5,971	(2,029)
Capital outlay	(50,000)	(50,000)	(67,999)	17,999
<u>Total nonoperating revenues (expenses)</u>	35,850	35,850	(49,425)	(49,277)
<u>Income (loss) before transfers</u>	(89,467)	(89,467)	198,448	(725,943)
<u>Transfers out</u>	(231,026)	(231,026)	(94,813)	136,213
<u>Net income (loss) budgetary basis</u>	(320,493)	(320,493)	103,635	(589,730)
<u>Reconciliation to a GAAP basis</u>				
Capital Outlay			67,999	
<u>Change in net assets</u>			171,634	
<u>Net assets - beginning of year</u>			320,817	
<u>Net assets - end of year</u>			664,085	

See accompanying Independent Auditors' Report.

**Town of Frederick
Oil Royalty Trust Fund
Budgetary Comparison Schedule
Year Ended December 31, 2009
(Unaudited)**

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<u>Additions</u>				
Oil royalties	32,000	32,000	54,915	22,915
Severance and mineral tax	-	-	153,791	153,791
Earnings on investments	21,500	21,500	19,894	(1,606)
<u>Total additions</u>	<u>53,500</u>	<u>53,500</u>	<u>228,600</u>	<u>175,100</u>
<u>Deductions</u>				
Purchased services	-	-	22,083	(22,083)
Scholarships	8,000	8,000	4,000	4,000
Donations	18,500	18,500	12,325	6,175
Reserve	1,083,155	1,083,155	-	1,083,155
<u>Total deductions</u>	<u>1,109,655</u>	<u>1,109,655</u>	<u>38,408</u>	<u>1,071,247</u>
<u>Changes in net assets</u>	<u>(1,056,155)</u>	<u>(1,056,155)</u>	<u>190,192</u>	<u>1,246,347</u>
<u>Net assets - beginning of year</u>			<u>988,656</u>	
<u>Net assets - end of year</u>			<u>1,178,848</u>	

See accompanying Independent Auditors' Report.

STATE COMPLIANCE SECTION

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County:
	Town of Frederick
	YEAR ENDING :
This Information From The Records Of (example - City of _ or County of _)	Prepared By:
	Phone:
	Sidonna Foust 720.3825561

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	
3. Other local imposts (from page 2)	599,125
4. Miscellaneous local receipts (from page 2)	41,224
5. Transfers from toll facilities	
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	
b. Bonds - Refunding Issues	-
c. Notes	
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	640,349
B. Private Contributions	
C. Receipts from State government (from page 2)	337,769
D. Receipts from Federal Government (from page 2)	0
E. Total receipts (A.7 + B + C + D)	978,118

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	57,784
2. Maintenance:	143,269
3. Road and street services:	
a. Traffic control operations	39,133
b. Snow and ice removal	23,240
c. Other	126,683
d. Total (a. through c.)	189,056
4. General administration & miscellaneous	
5. Highway law enforcement and safety	
6. Total (1 through 5)	390,109
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
2. Notes:	
a. Interest	
b. Redemption	
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	0
C. Payments to State for highways	
D. Payments to toll facilities	
E. Total disbursements (A.6 + B.3 + C + D)	390,109

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	1,872,850	978,118	390,109	2,460,859	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado YEAR ENDING (mm/yy): December 2009	
II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	37,659
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes	342,142	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	42,508	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	214,475	g. Other Misc. Receipts	3,565
6. Total (1. through 5.)	599,125	h. Other	
c. Total (a. + b.)	599,125	i. Total (a. through h.)	41,224
	(Carry forward to page 1)		(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	285,569	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	34,270	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant	17,930	e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	52,200	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	337,769	3. Total (1. + 2.g)	
			(Carry forward to page 1)
III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs		9,003	9,003
c. Construction:			
(1). New Facilities		0	0
(2). Capacity Improvements		48,781	48,781
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	48,781	48,781
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	57,784	57,784
			(Carry forward to page 1)
Notes and Comments:			